ace Commodity Exchange

ace | Clearing & Settlement

CLEARING MEMBER MANUAL

Version 1.1

millennium information technologies

'innovation is power'

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INTRODUCTION

About Millennium Clearing and Settlement

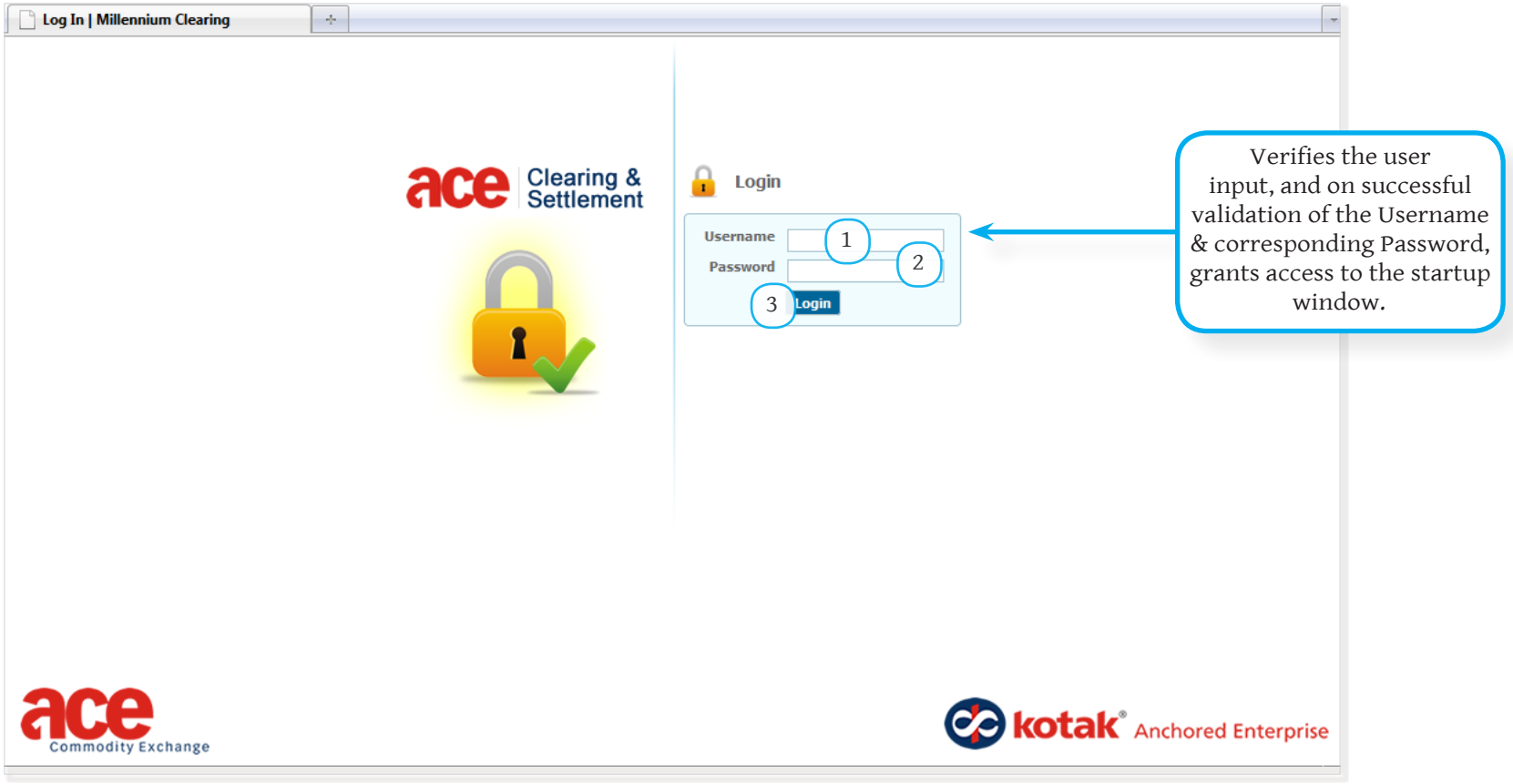
The **Millennium Clearing & Settlement** system ensures fast and secure transaction processing for clearing and settlement. The system can be integrated with any trading system and can process transactions in real-time or in a batch, or at end of the day. The system is fully parameter driven to allow for rapid customization of the product to suit each client's business best practices.

Getting Started with ACE Clearing

Login

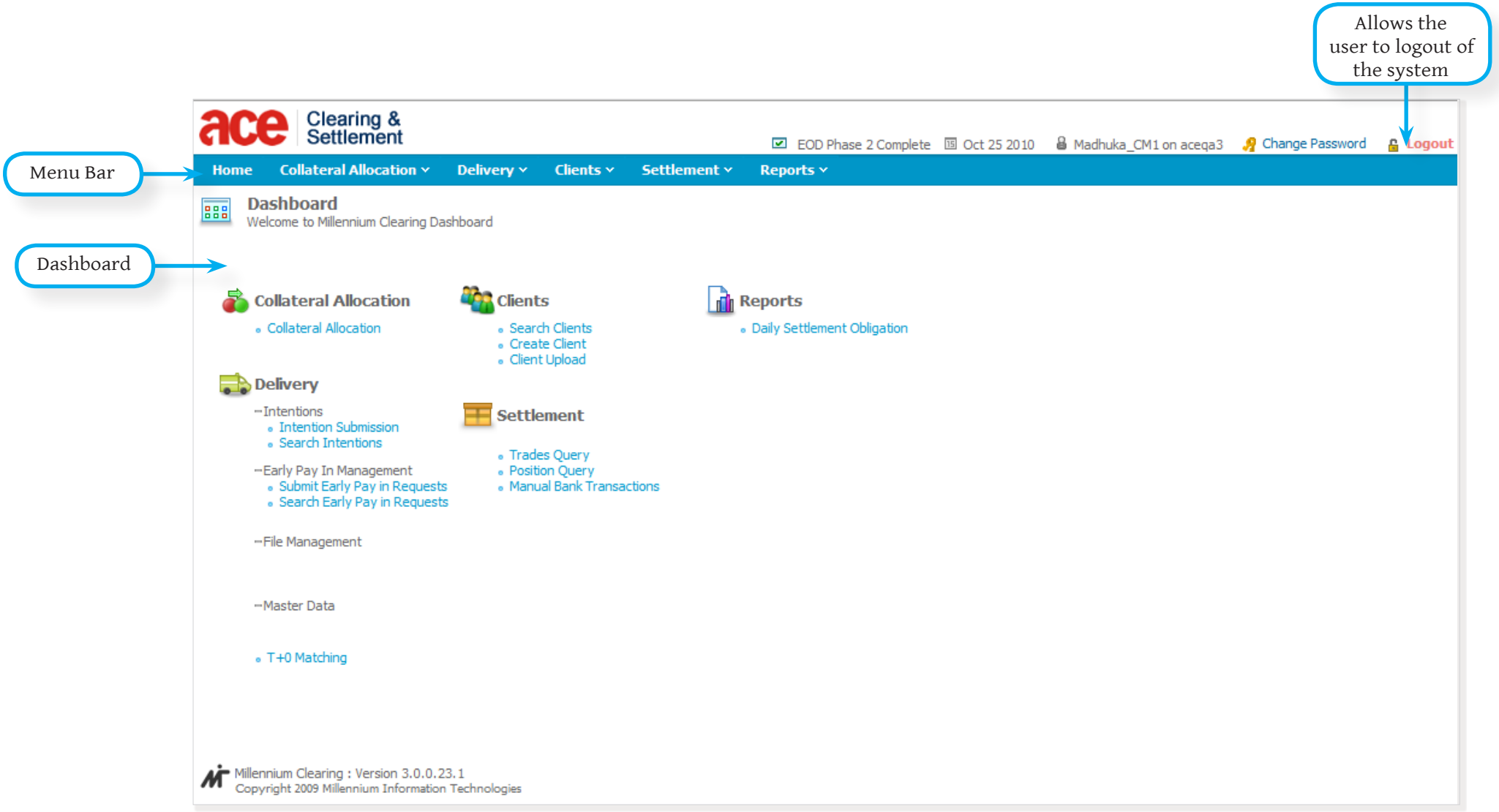
Entering the URL for the ACE Clearing and Settlement system in the browser window (Internet Explorer version 7 or later is recommended) will take the user to the login interface.

1. **Enter the Username** - The user id assigned to the user by the system
2. **Enter the Password** - The password is set by the user and permits only that particular user to use the system under the entered Username.
3. **Click the Login Button** - This will enable the user to successfully login to the system.



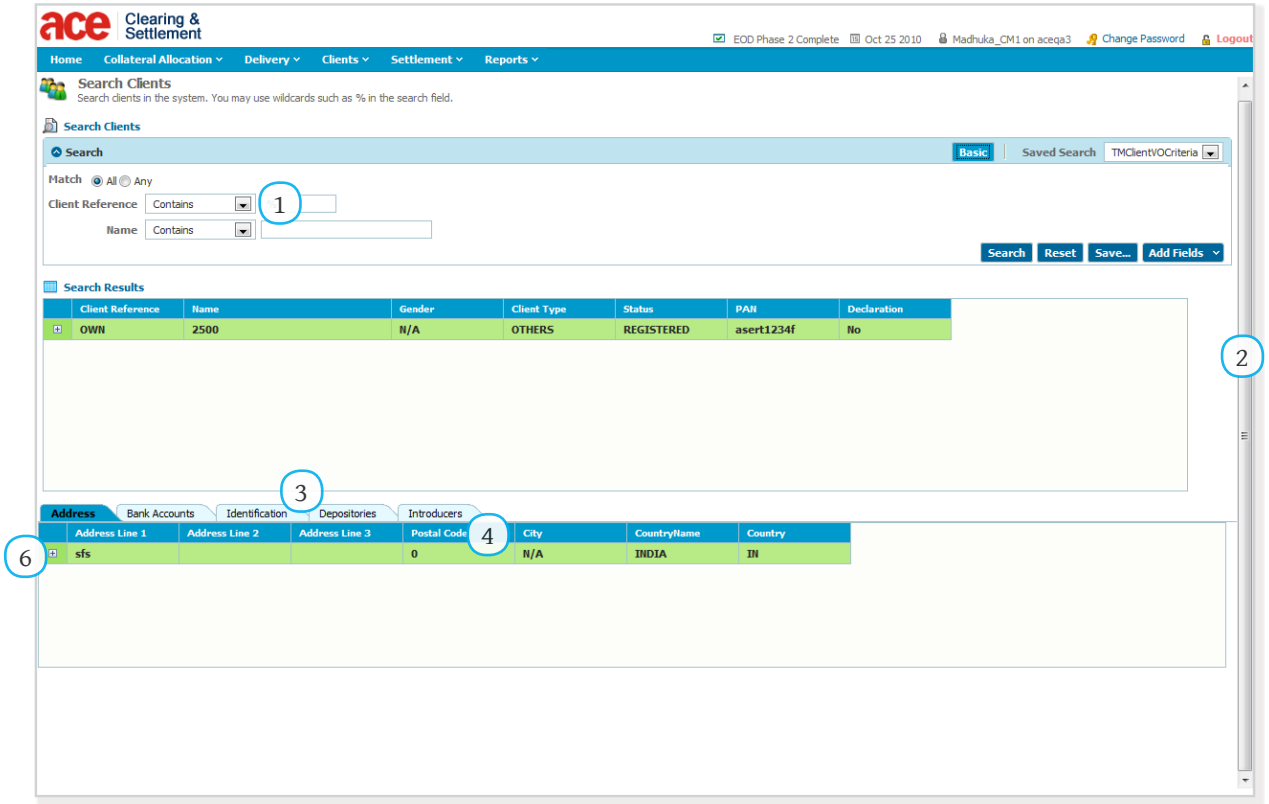
The Dashboard

After login, the user will be presented with the ACE Clearing Dashboard. The Dashboard consists of a set of links which will direct the user to the functionality within the system.



Basic Interface Operation

1. **Drop-Down List** - Clicking on the arrow will display a list of all available values for the selected control. The user can then select desired value from this list.
2. **Scroll Bars** - A scroll bar allows the user to navigate a list which is too large to fit in the display area. The user can scroll through the list by clicking and dragging the scroll bar or by clicking on the scroll buttons.
3. **Tabs** - Some interfaces (E.g. the Search interface) use Tabs to group information fields by relevance.
4. **Sorting Columns** - When information is displayed in a tabular form, this information may be sorted in ascending or descending order by clicking on either the arrow (ascending) or arrow (descending).
5. **Moving columns** - When the cursor turns into a move pointer as it is placed over a column header, the user can then move that column either to the left or right in the table.
6. **Expand/Collapse buttons** - the user can utilize these buttons to view more or less information on an interface.



General Functionality

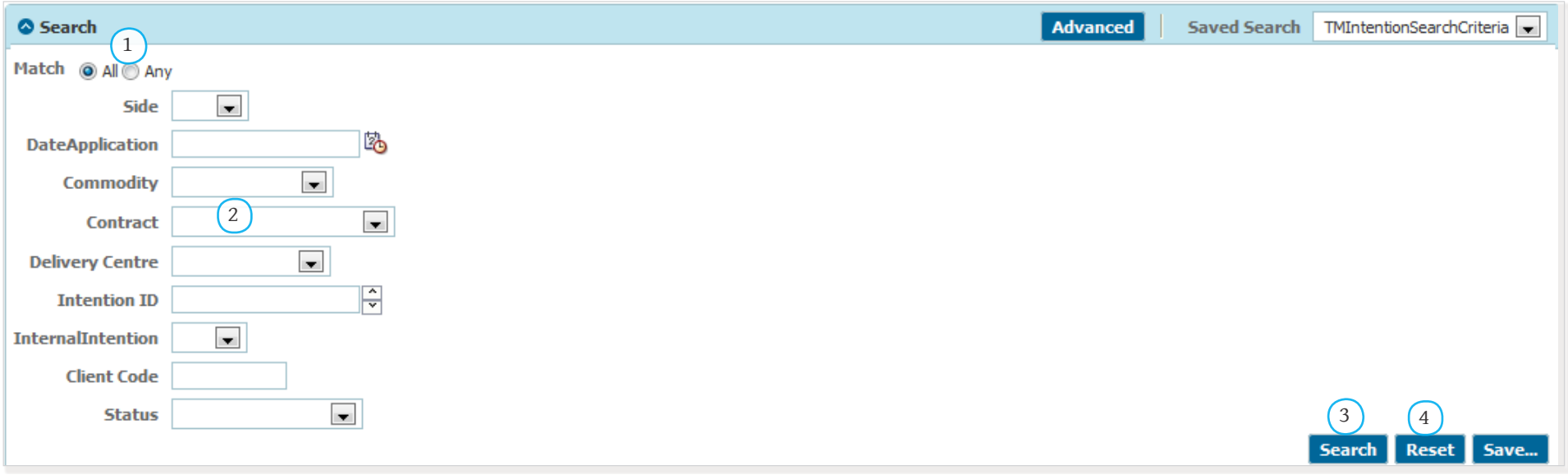
This section will describe some of the common functionality of the system.

Search Function

The search feature is a common functionality that gives the user access to a search entities within the various modules. The user can either use the Basic search feature or the Advanced search feature.

Basic Search

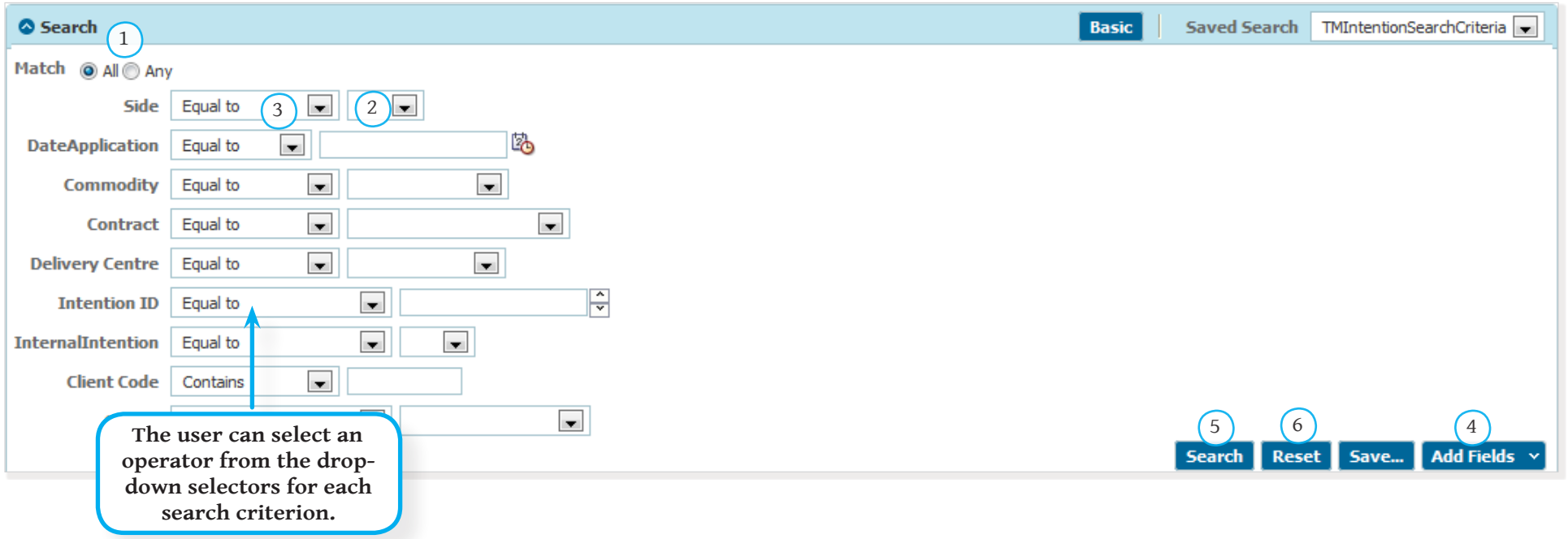
1. Select a **Match** option
   - *All* - Displays search results that match all the specified search criteria
   - *Any* - Displays search results that match any of the specified search criteria
2. Define the search criteria.
3. Click *Search*.
4. Clicking *Reset* clears search criteria.



Advanced Search

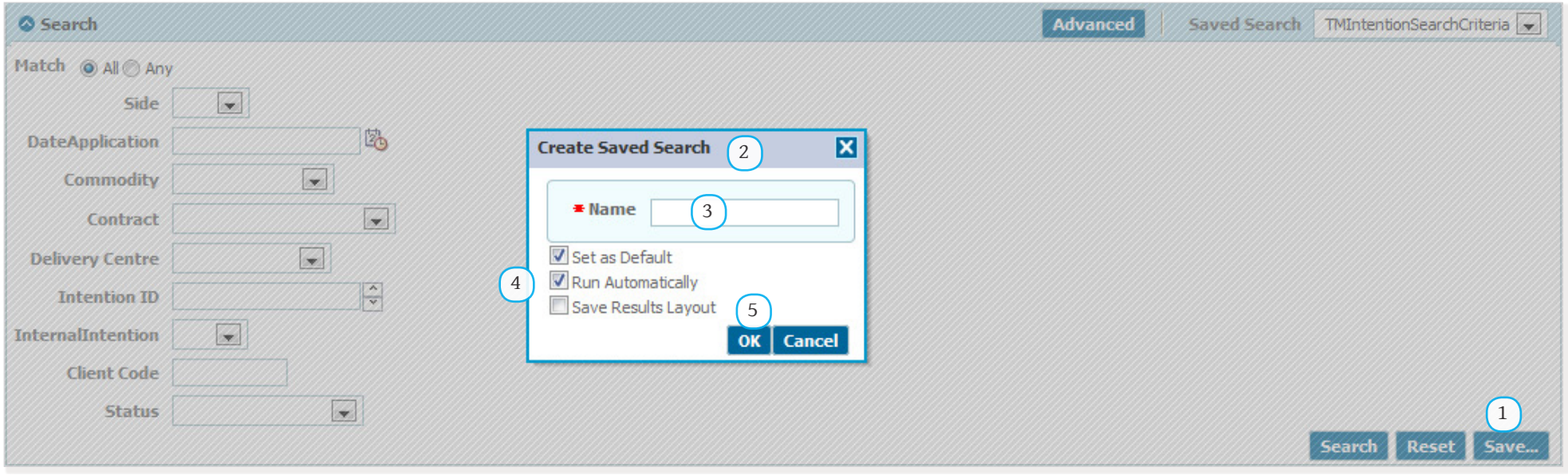
The advanced search is similar to the basic search in functionality. However it allows the user to define operators for the search criteria.

1. Select a **Match** option
   - *All* - Displays search results that match all the specified search criteria
   - *Any* - Displays search results that match any of the specified search criteria
2. Define the search criteria.
3. Select the relevant operator from the drop-down list.
4. To introduce additional search criteria, click **Add Fields** and select the required fields from the drop-down list.
5. Click *Search*.
6. Clicking *Reset* clears search criteria.



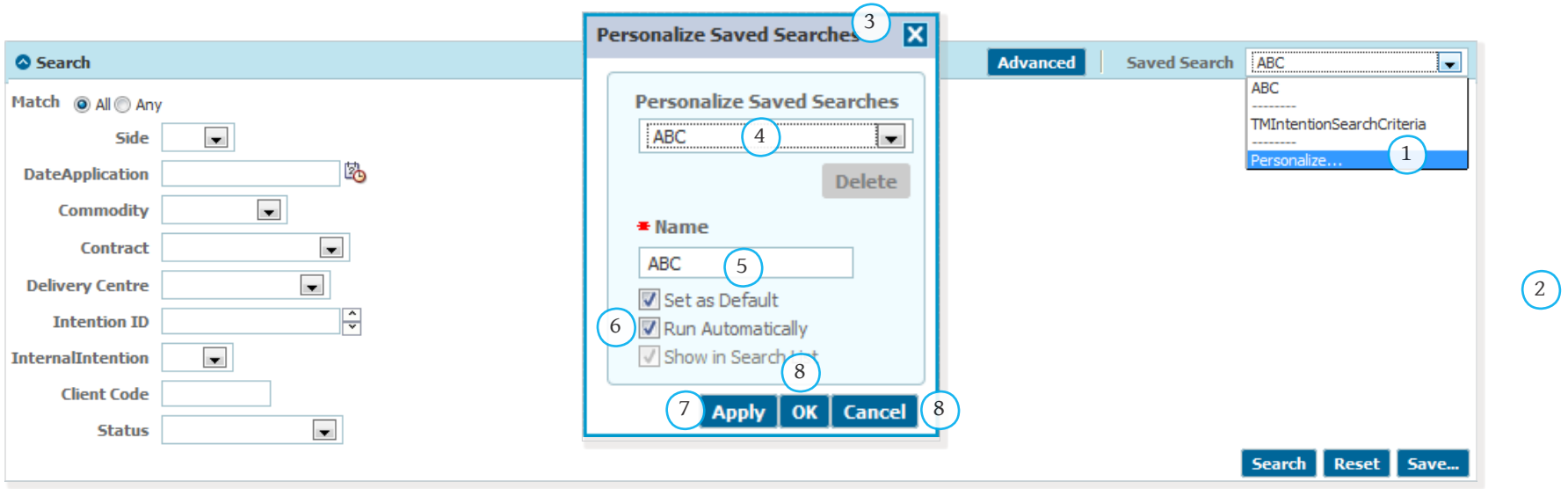
Saving a Search

1. Click the **Save...** button.
2. The **Create Saved Search** pop-up will appear.
3. Type in a name for the saved search.
4. Check any or all of the following options as required:
   - *Set as Default* - Sets the search as the default
   - *Run Automatically*
   - *Save Results Layout* - saves the results layout
5. Click *OK* to save.



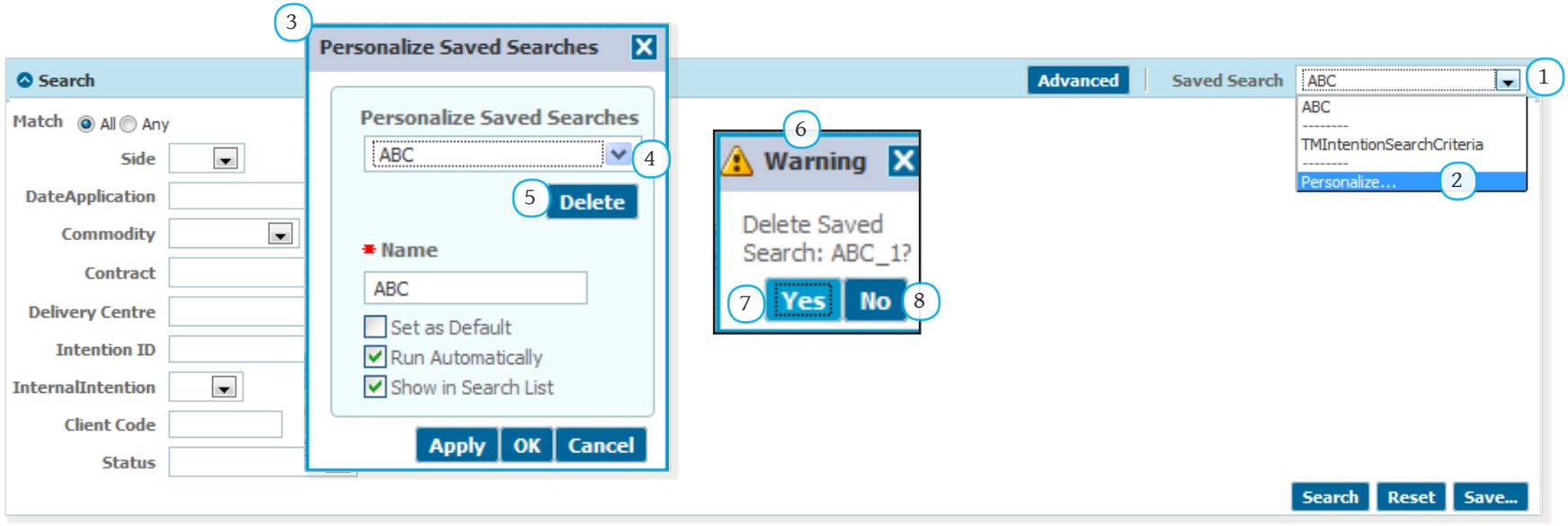
Personalizing a Saved Search

1. Click the arrow to display the drop-down list.
2. Select the **Personalize...** option.
3. The **Personalize Saved Searches** pop-up will appear.
4. Select the saved search to be modified from the drop-down list.
5. Change the *Name* of the search if required.
6. Check any or all of the following options as required:
   - *Set as Default* - Sets the search as the default
   - *Run Automatically*
   - *Show in Search List*
7. Click *Apply* to apply changes.
8. Clicking *OK* saves changes.
9. *Cancel* clears any changes made.



Deleting a Saved Search

1. Click the arrow to display the drop-down list.
2. Select the *Personalize* option.
3. The **Personalize Saved Searches** pop-up will appear.
4. Select the search to be deleted from the drop-down list.
5. Click the *Delete* button.
6. A **Warning** pop-up will requesting confirmation to proceed with the delete.
7. Click *Yes* to delete the saved search.
8. Click *No* to return to the **Personalize Saved Searches** dialog box without deleting.



Note:

The user will not be able to delete a saved search if the particular search is currently selected.

Clients

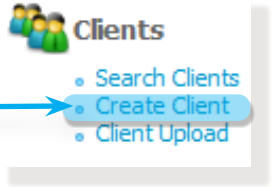
This section will describe all functionality related to Clients.

Client Creation

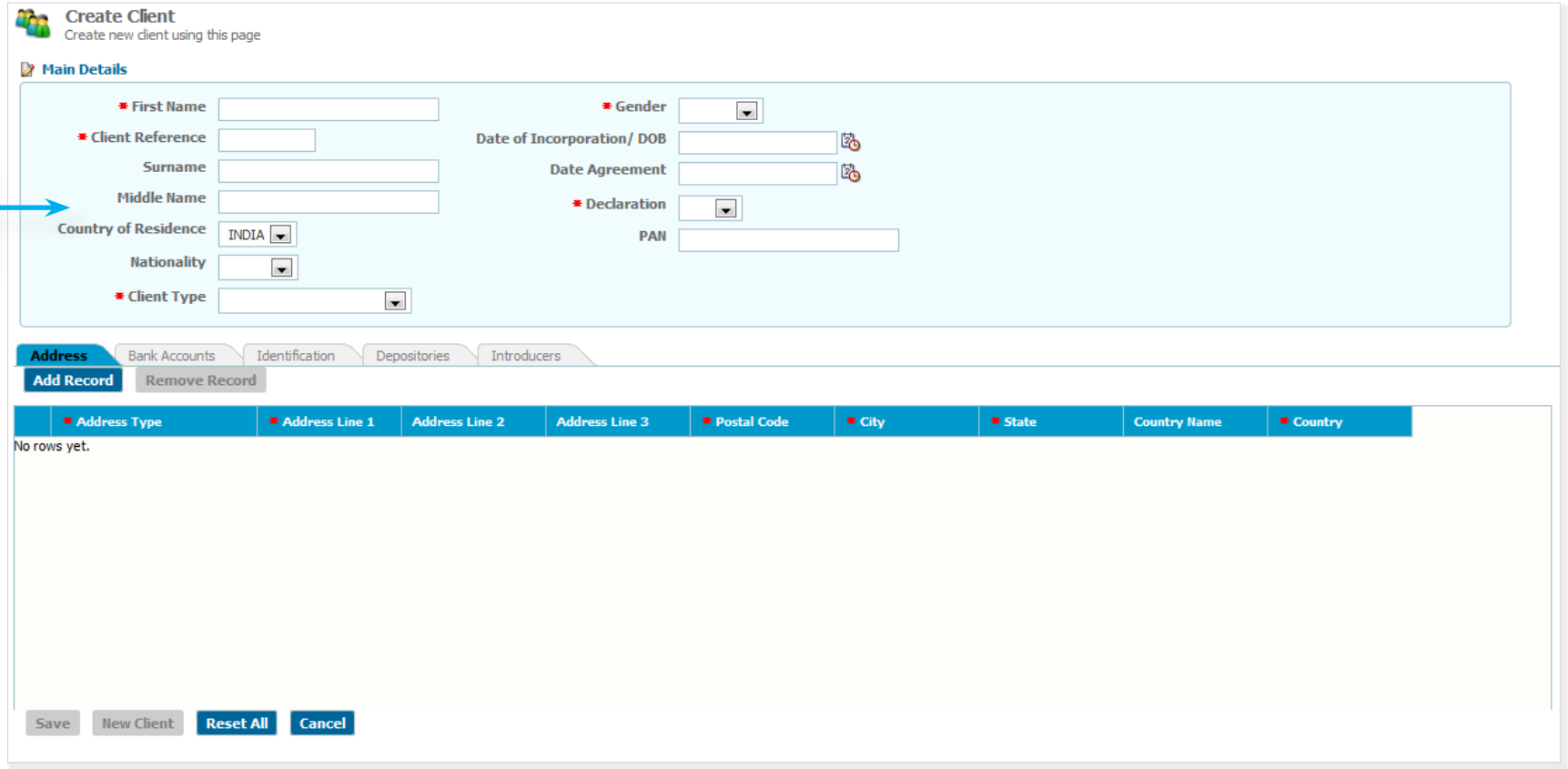
Clients represent investors who will hold positions in the system via the trades carried out by the trading users.

To go to the Create Client interface, do one of the following:

- Click the *Create Client* link on the Dashboard
- Select *Clients* ➡ *Create Client* on the menu bar

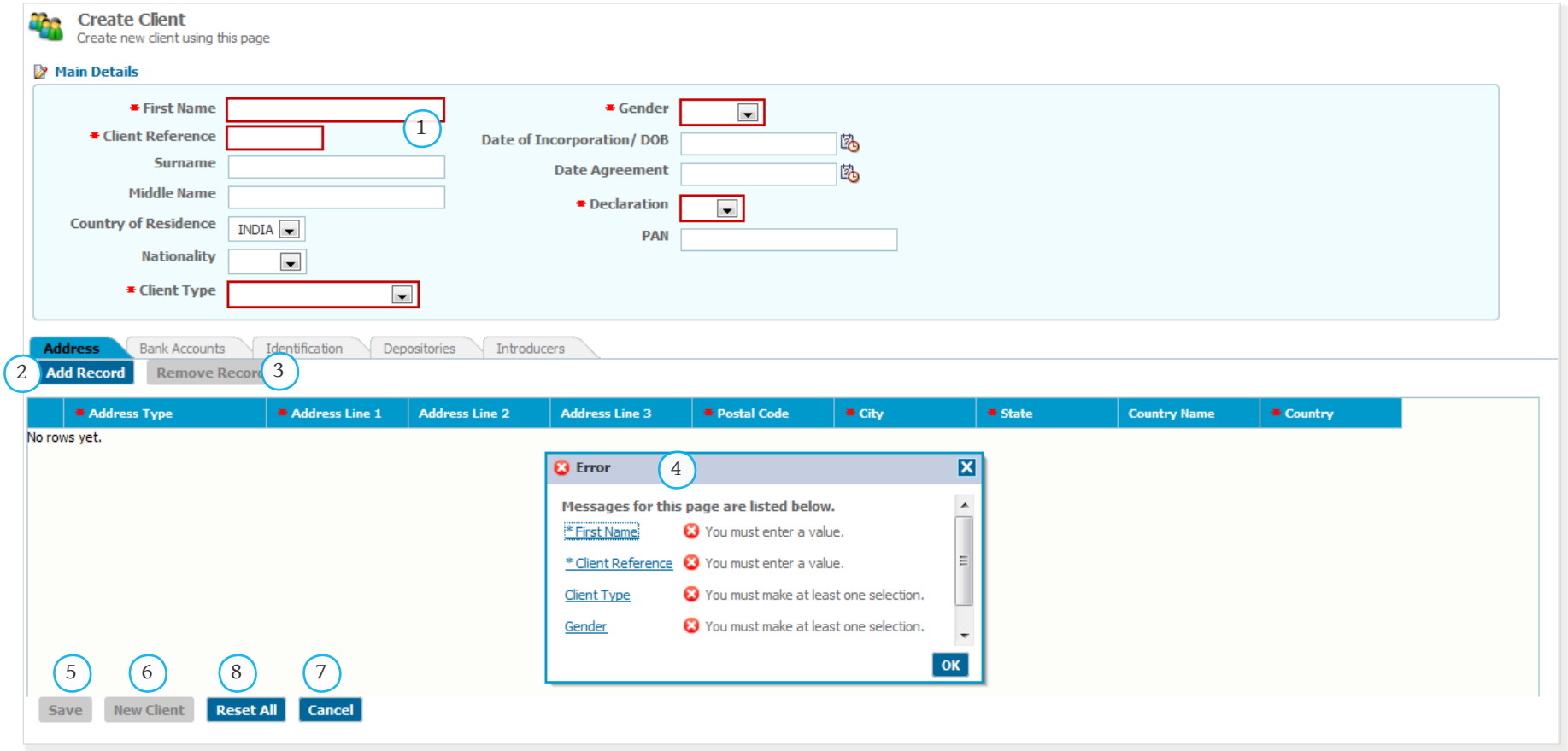


Mandatory fields are marked by an *



To Create a Client

1. Enter client data in the appropriate fields.
2. Click the **Add Record** button under the **Address** tab. This will display fields for address details and make the other tabs accessible.
3. To clear all fields under a tab, click the **Remove Record** button.
4. If mandatory fields have been left blank at any stage, the user will be prompted to enter a value and cannot proceed until this is done.
5. Enter all required data, and click the *Save* button to save the client.
6. Click *New Client* to create another new client.
7. Clicking *Cancel* clears all fields and reverts to the Dashboard.
8. Clicking *Reset All* clears all fields and allows user to re-enter client information.



Client Data

The user needs to enter the relevant data in order to create a new client

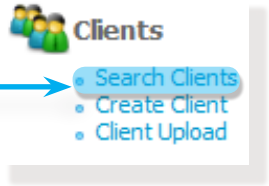
Field	Description
Client Details	
First Name	First name of the user
Client Reference	A unique identifier for the client, unique across the system
Surname	Surname of the user
Middle Name	Middle name of the user
Country of Residence	Can be selected from the drop-down
Nationality	Can be selected from the drop-down
Client Type	Drop-down includes the following options: Individual, Mutual Fund, Body Corporate, Non-Tax paying entity, Others
Gender	Drop-down includes the following options: Female, Male, N/A
Date of Incorporation/DOB	Select a date from the attached calendar
Date Agreement	Select a date from the attached calendar
Declaration	Drop-down includes the following options: No/Yes
PAN	PAN ID
Address	Address of the client
Bank Accounts	Details of bank the client maintains his account with
Identification	Identification details of the client
Depositories	Depository information pertaining to client
Introducers	Details related to introducer of client

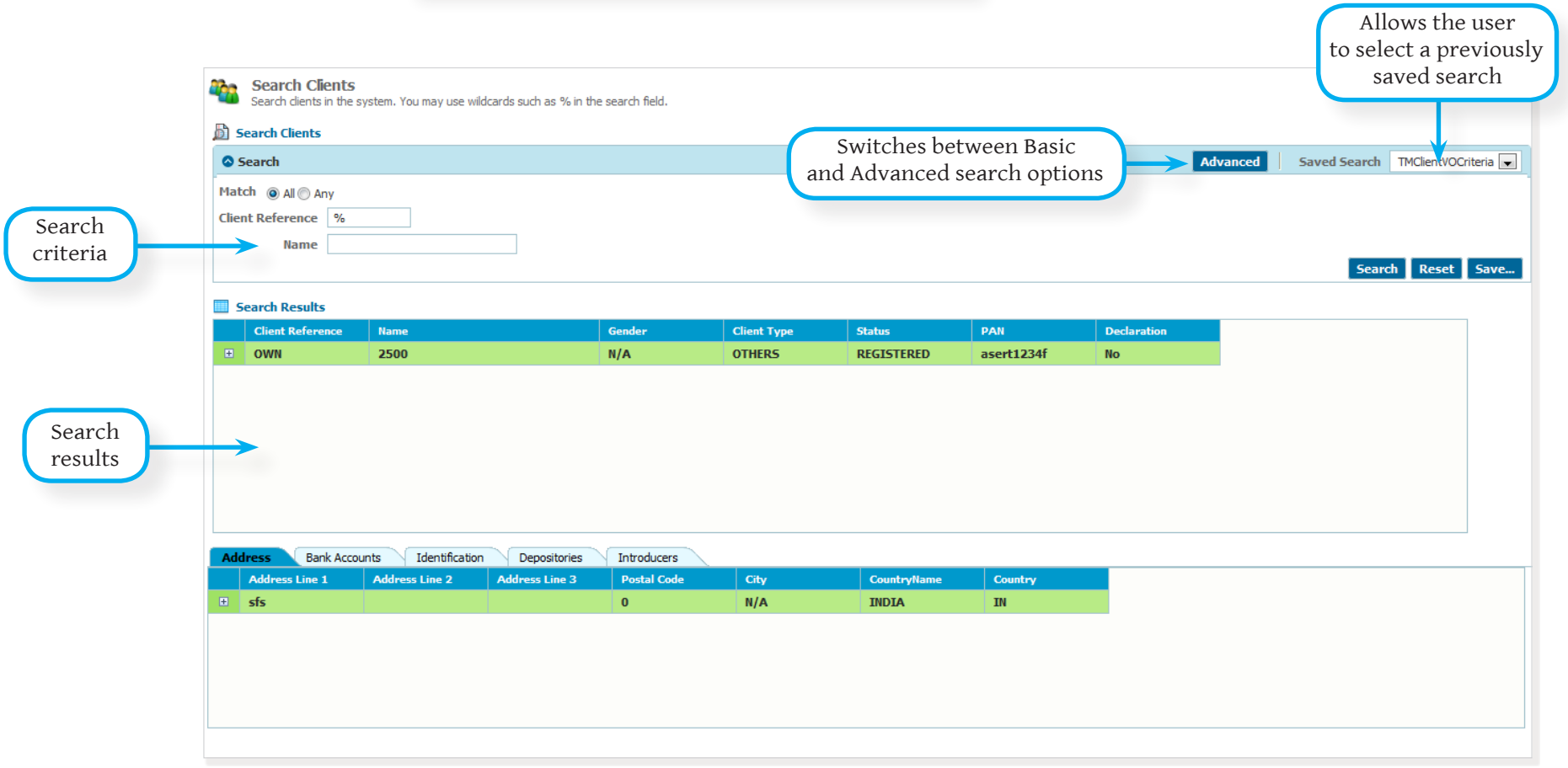
Client Search

The Client Search feature allows the user to search for a particular client and view the client details.

To go to the Search Clients interface, do one of the following:

- Click the *Search Clients* link on the Dashboard
- Select *Clients* ➡ *Search Clients* on the menu bar



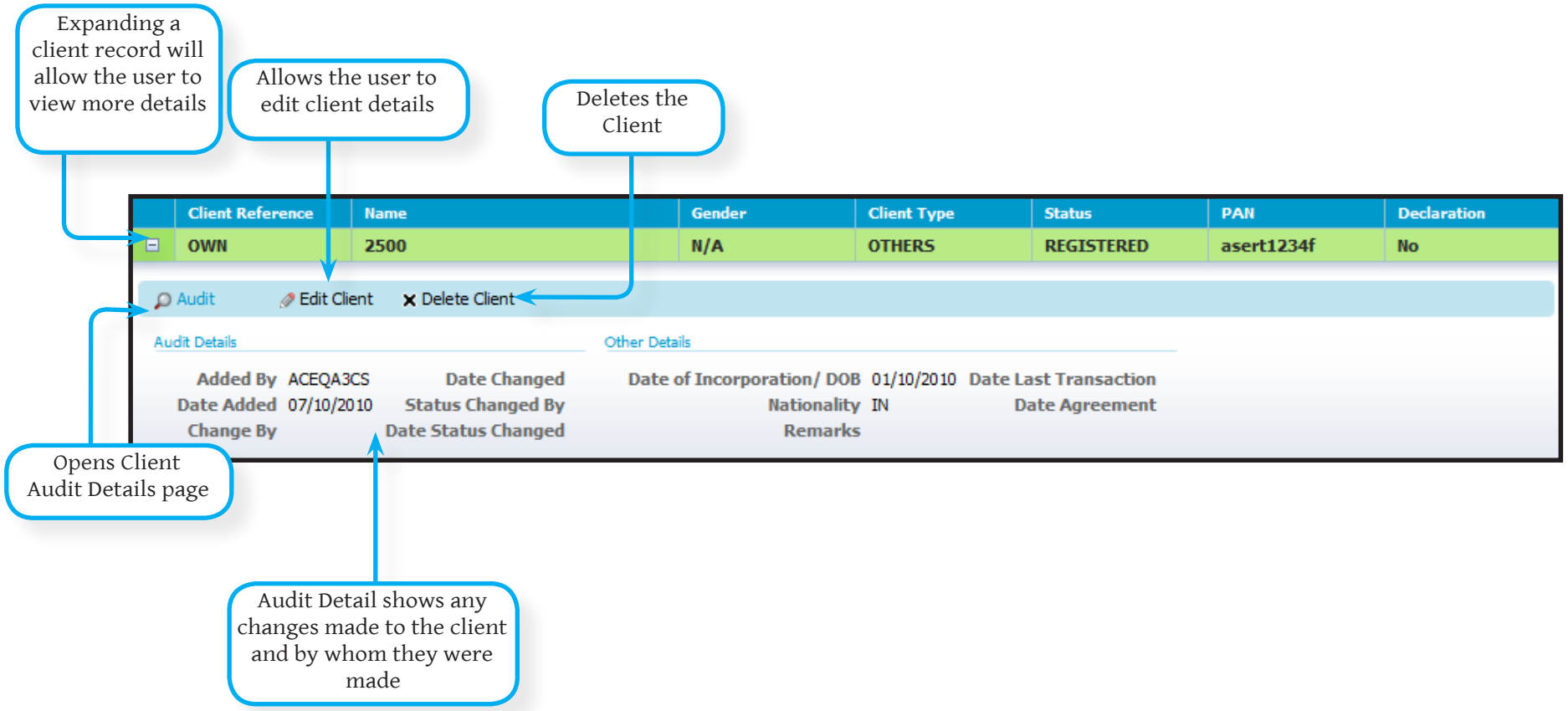


For more details on conducting a search, refer the section titled *Search Function* in the General Functionality section.

Client Records

The user can perform any of the following actions on a selected client record:

- View Audit details
- Edit
- Delete

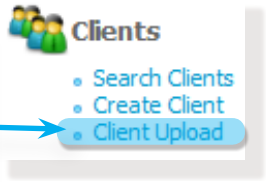


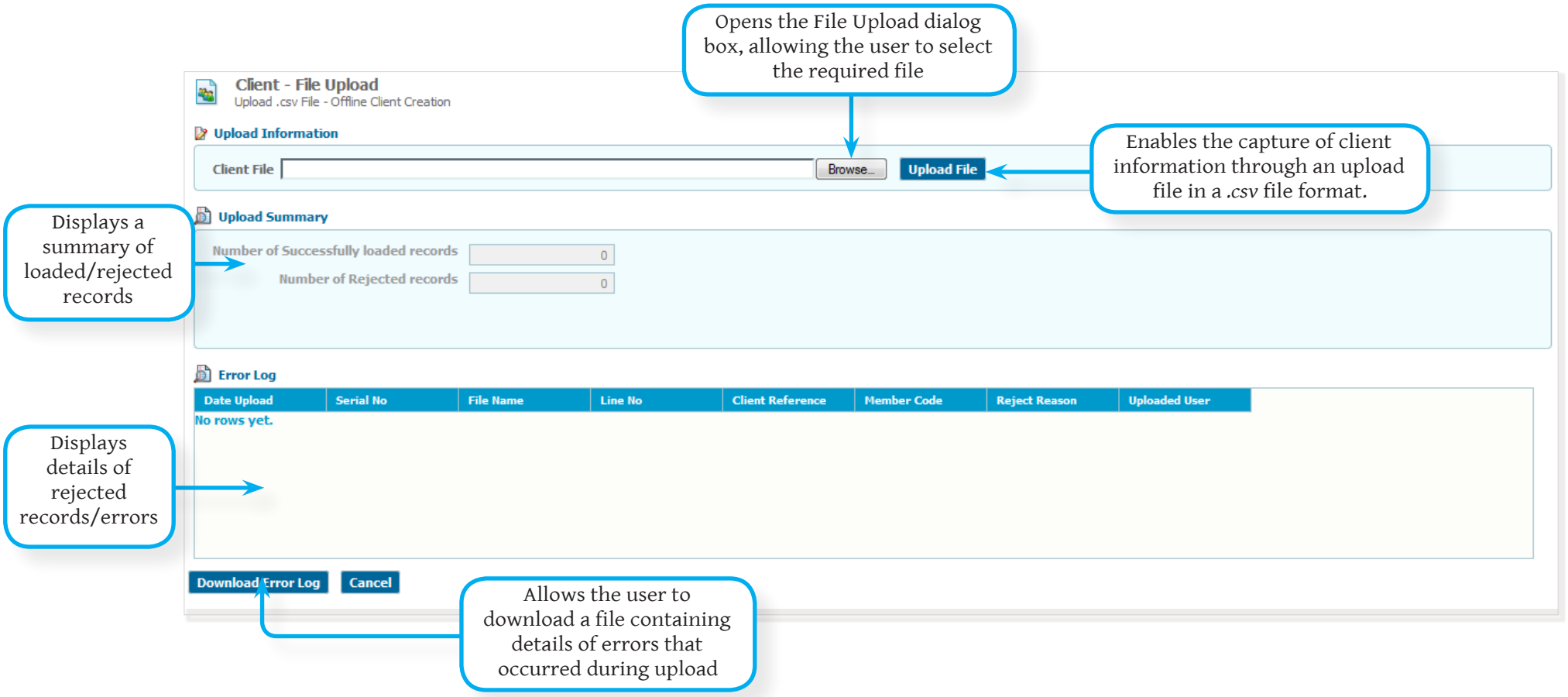
Client Upload

Enables the capture of client information through an upload file in a *.csv* file format.

To go to the Client Upload interface, do one of the following:

- Click the *Client Upload* link on the Dashboard
- Select *Clients* ➡ *Client Upload* on the menu bar




Opens the File Upload dialog box, allowing the user to select the required file
Client - File Upload
Upload .csv File - Offline Client Creation
Upload Information
Client File
Browse...
Upload File
Enables the capture of client information through an upload file in a .csv file format.
Displays a summary of loaded/rejected records
Upload Summary
Number of Successfully loaded records
0
Number of Rejected records
0
Error Log
Date Upload
Serial No
File Name
Line No
Client Reference
Member Code
Reject Reason
Uploaded User
No rows yet.
Displays details of rejected records/errors
Download Error Log
Cancel
Allows the user to download a file containing details of errors that occurred during upload

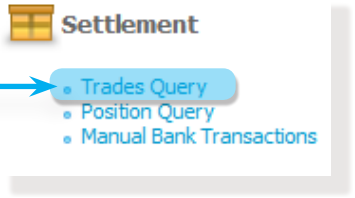
Settlement Management

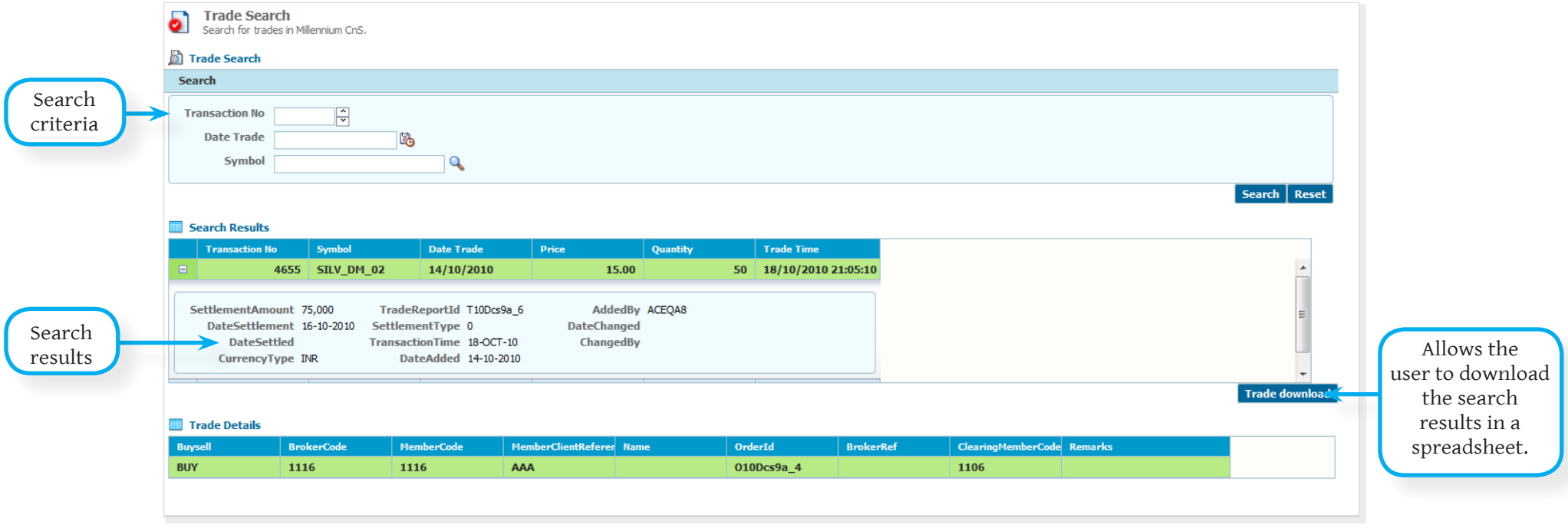
This section will describe functionality related to Settlement Management.

Trades Query

To go to the trades query interface, do one of the following:

- Click the *Trades Query* link on the Dashboard
- Select *Settlement* ➡ *Trades Query* on the menu bar



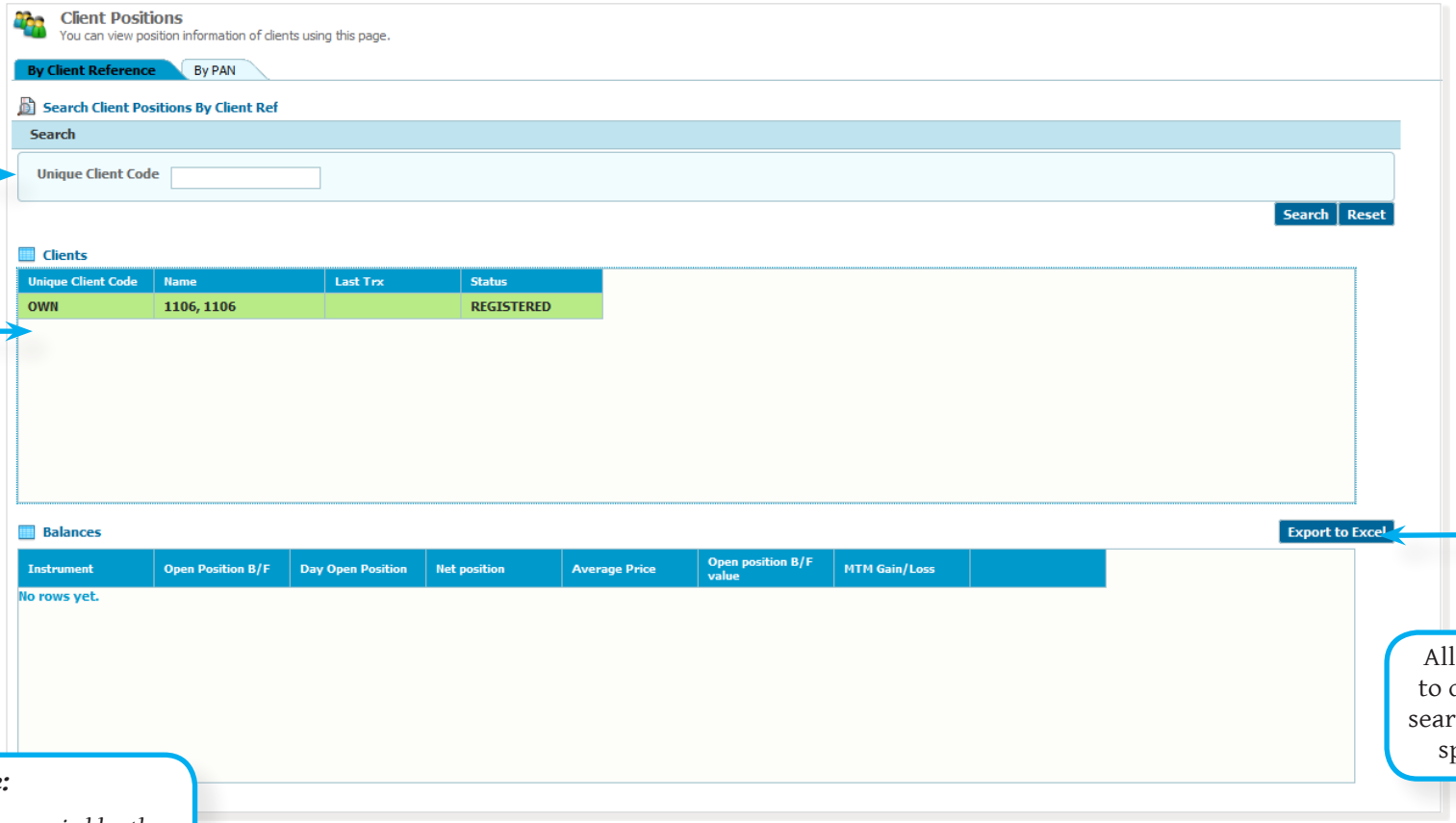


For more details on conducting a search, refer the section titled *Search Function* in the General Functionality section.

Position Query

To go to the Position Query interface do one of the following:

- Click the *Position Query* link on the Dashboard
- Select *Settlement* ➡ *Position Query* on the menu bar



Search criteria

Search results

Allows the user to download the search results in a spreadsheet.

Note:

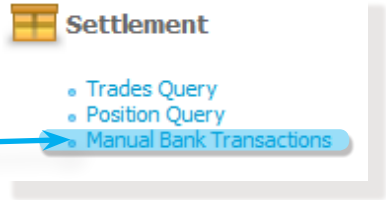
Positions can also be queried by the PAN ID through the next tab (By PAN).

For more details on conducting a search, refer the section titled *Search Function* in the General Functionality section.

Manual Bank Transaction

To go to the Manual Bank Transaction interface do one of the following:

- Click the *Manual Bank Transaction* link on the Dashboard
- Select *Settlement* ➡ *Manual Bank Transaction* on the menu bar

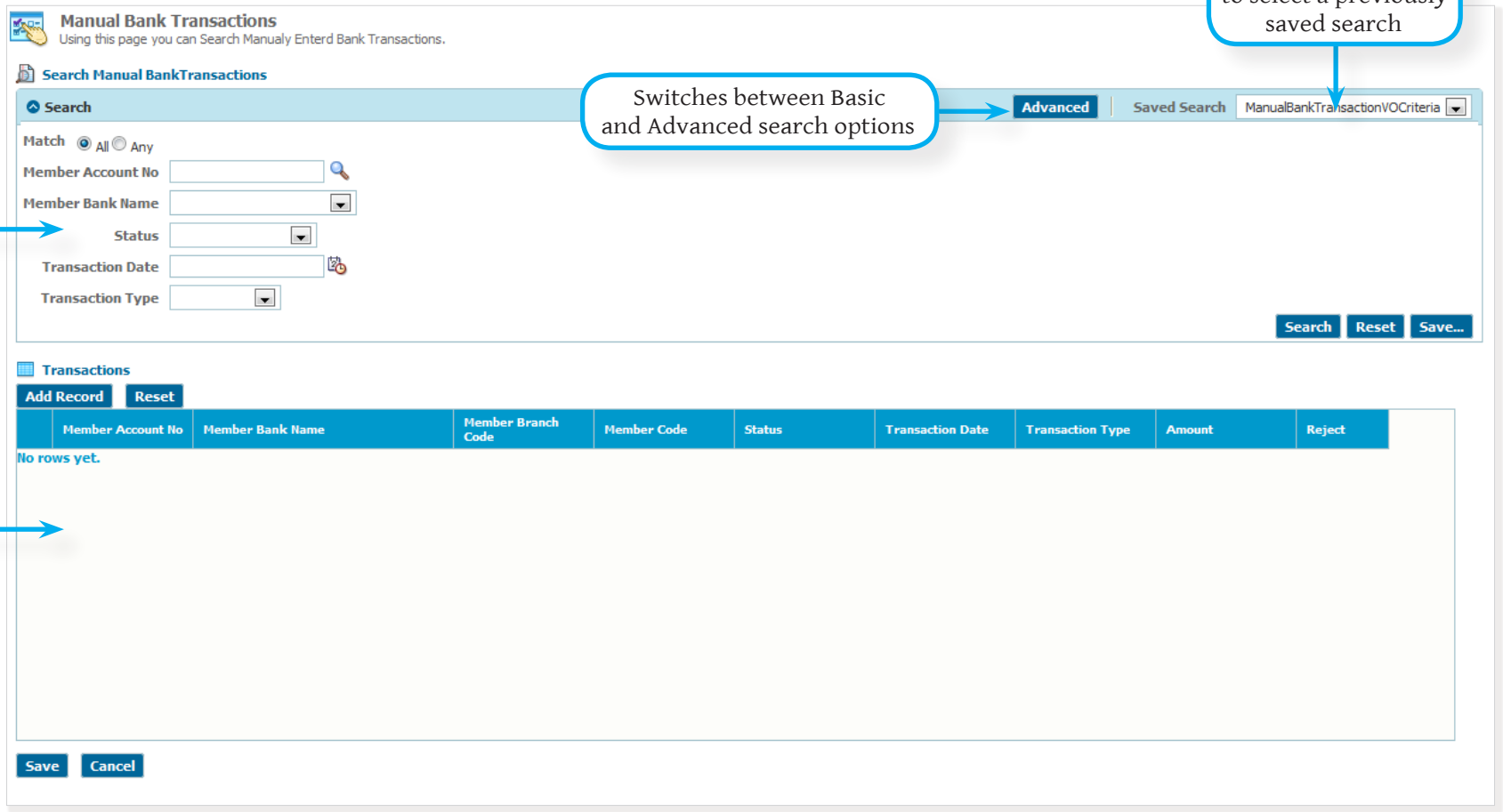


Allows the user to select a previously saved search

Switches between Basic and Advanced search options

Search criteria

Search results



For more details on conducting a search, refer the section titled *Search Function* in the General Functionality section.

Collateral Allocation

Collateral

Collateral refers to the various deposits, guarantees and securities that are pledged by a clearing member for the purpose of covering the losses and margins required for him by the clearing house.

The system has pre-defined types of acceptable collateral, each having its own attributes and validations. The following forms of collateral are currently accepted in the system:

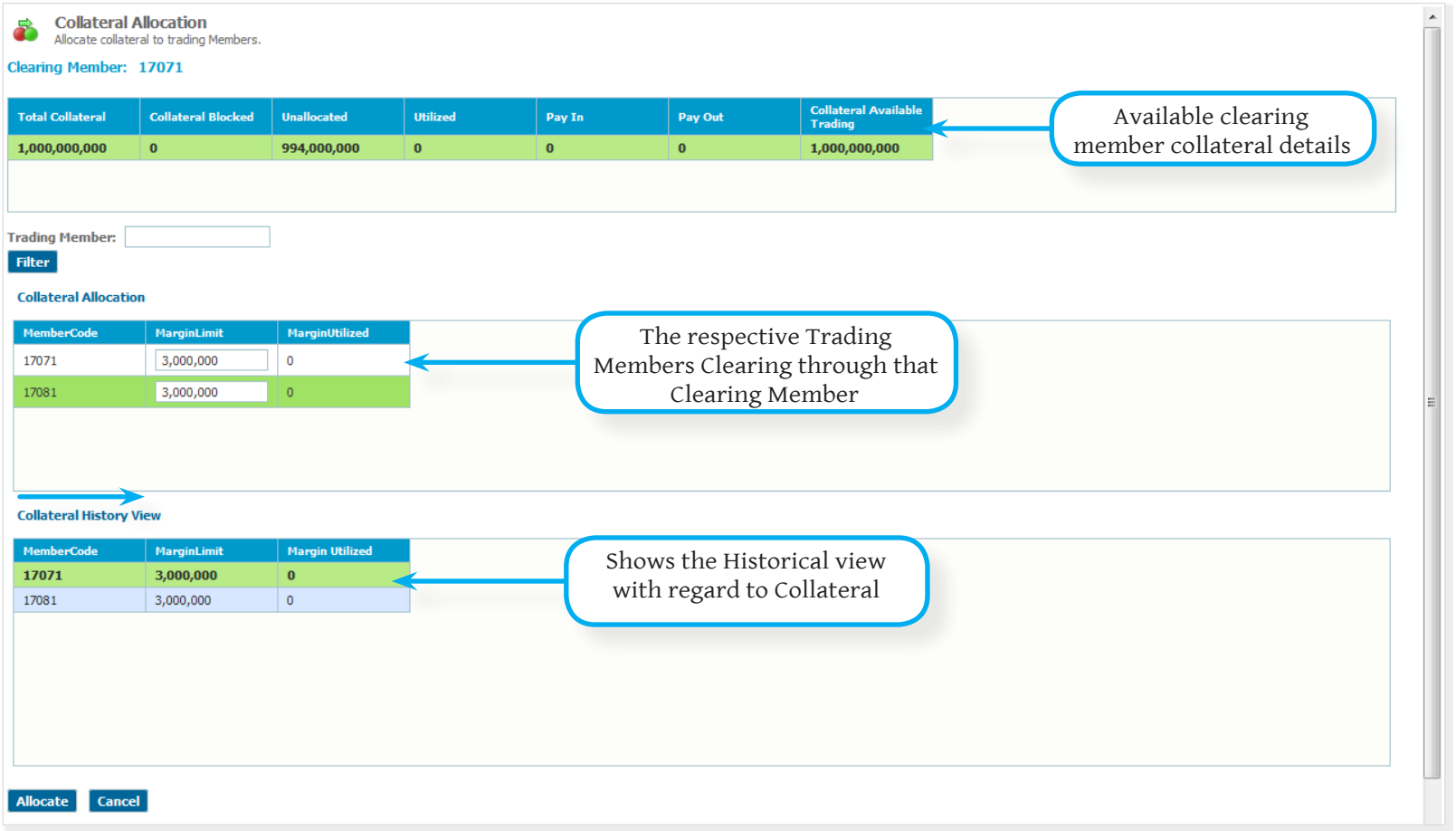
- Cash
- Bank Guarantee
- Fixed Depository Receipts
- Securities
- Warehouse Receipts

Collateral Allocation

Through this screen a Clearing Member will be able to allocate Collateral to his respective Trading Members.

To go to the Collateral Allocation interface, do one of the following:

- Click the *Collateral Types* link on the Dashboard
- Select *Collateral Allocation* ➡ Collateral Allocation on the menu bar



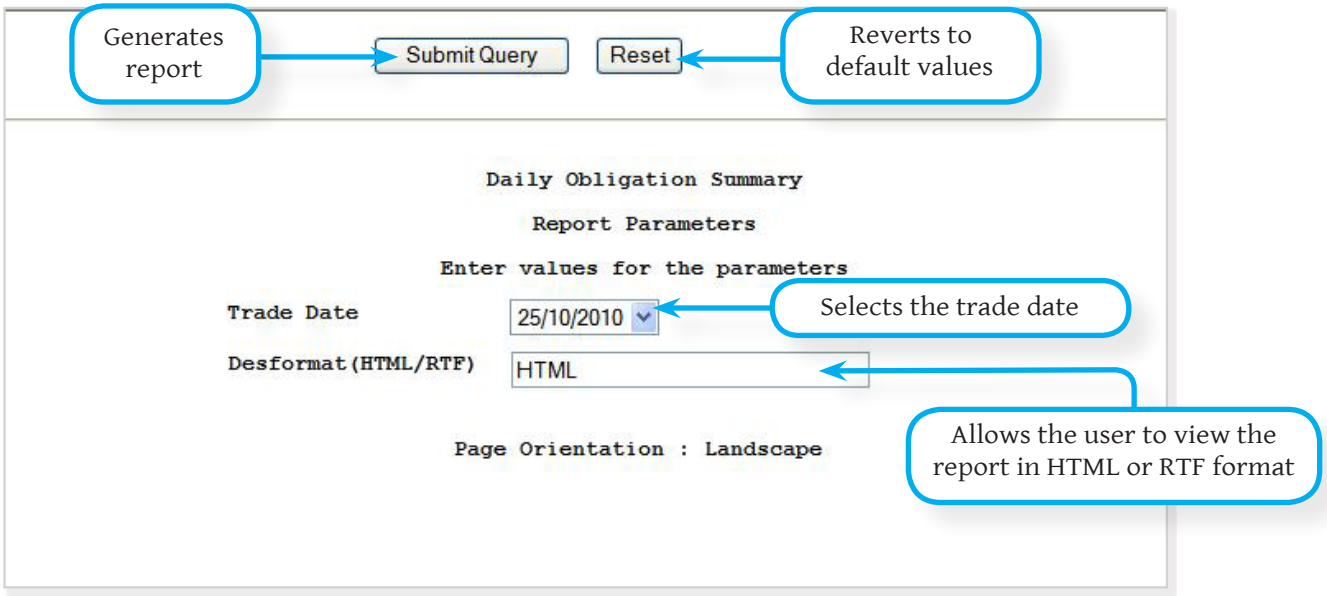
Reports

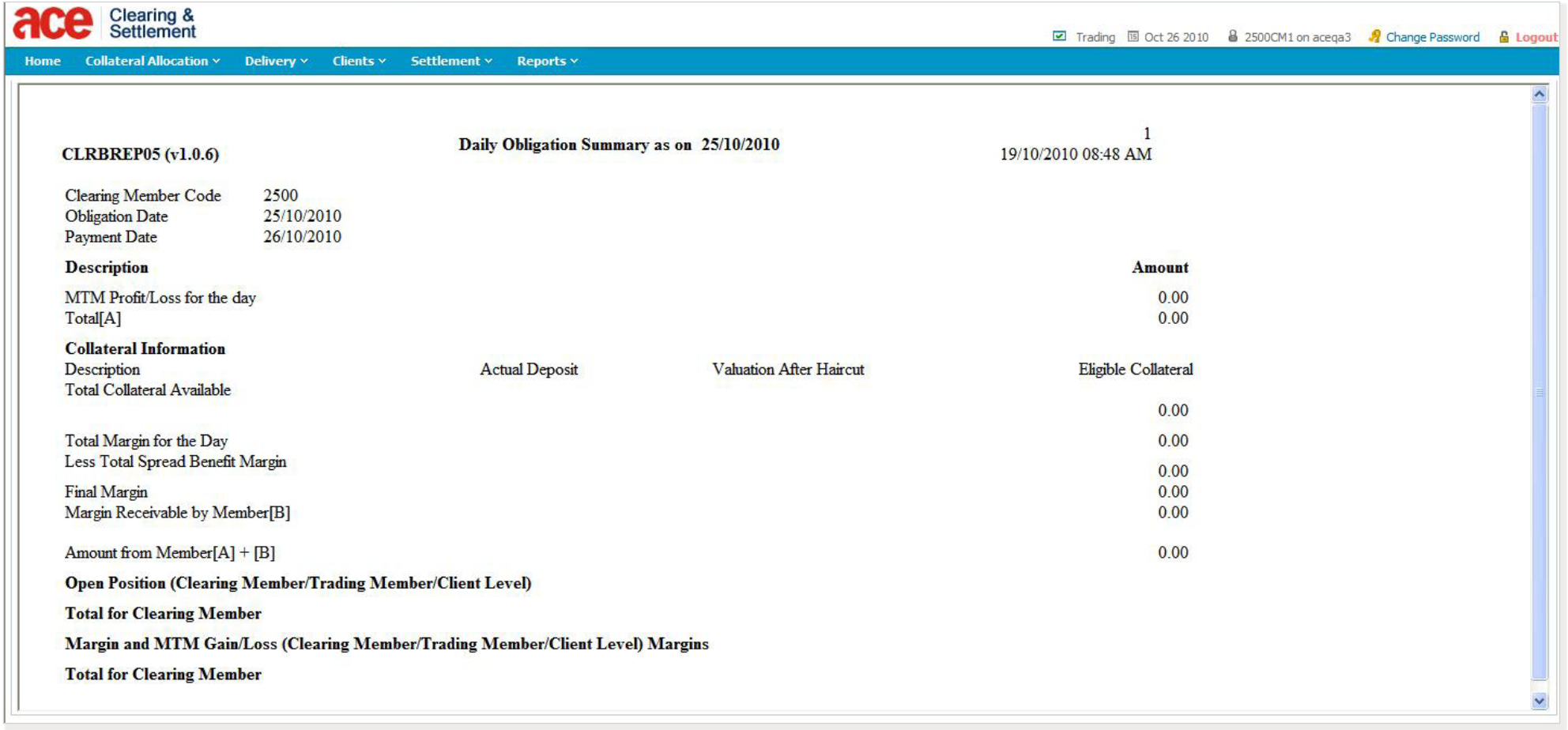
Daily Settlement Obligation

The Daily Settlement Obligation report is a system-generated report that can be viewed by the user.

To go to the Daily Settlement Obligation Report interface, do one of the following:

- Click the *Daily Settlement Obligation* link on the Dashboard
- Select *Reports* ➡ *Daily Settlement Obligation* on the menu bar





ace Clearing & Settlement

Trading | Oct 26 2010 | 2500CM1 on aceqa3 | Change Password | Logout

Home | Collateral Allocation | Delivery | Clients | Settlement | Reports

CLRBREP05 (v1.0.6)

Daily Obligation Summary as on 25/10/2010

1
19/10/2010 08:48 AM

Clearing Member Code	2500
Obligation Date	25/10/2010
Payment Date	26/10/2010

Description	**Amount**
MTM Profit/Loss for the day	0.00
Total[A]	0.00

Collateral Information

Description	Actual Deposit	Valuation After Haircut	Eligible Collateral
Total Collateral Available			0.00
Total Margin for the Day			0.00
Less Total Spread Benefit Margin			0.00
Final Margin			0.00
Margin Receivable by Member[B]			0.00
Amount from Member[A] + [B]			0.00

Open Position (Clearing Member/Trading Member/Client Level)

Total for Clearing Member

Margin and MTM Gain/Loss (Clearing Member/Trading Member/Client Level) Margins

Total for Clearing Member

Delivery

This section will describe all functionality related to the Delivery component of the application.

Delivery

The Delivery Management System deals with the delivery settlement procedures of a particular Contract at the end of the expiry date of the Contract as well as during the interim periods. This is a procedure carried out in addition to the cash settlement of a particular Futures Contract which happens on a daily basis.

The Delivery component consists of the following sections:

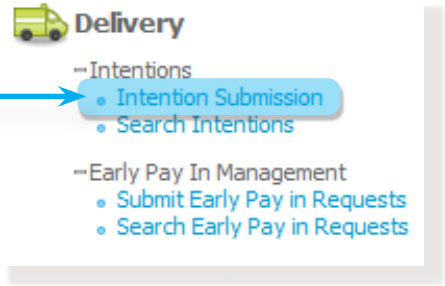
- Intentions
- Early Pay In Management

Intention Submission

Intention Submission will be the starting point of the whole Delivery Settlement Process where the Seller/ Buyer who wishes to deliver the commodities submit their intention for a delivery settlement of a particular Open Position for that Contract.

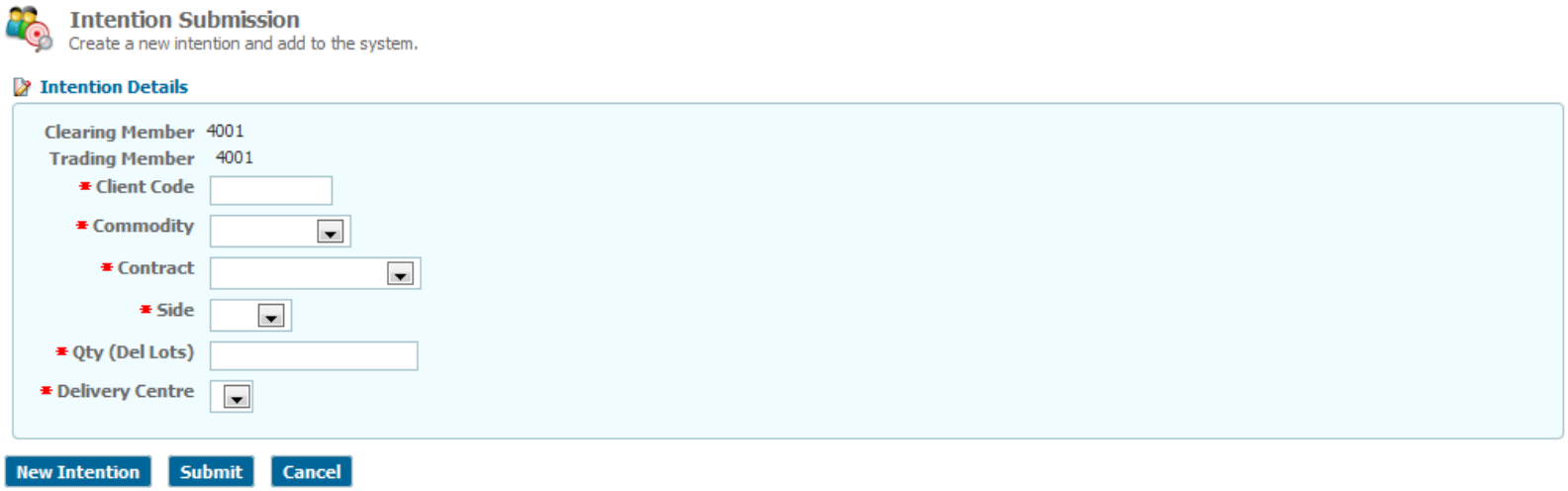
To go to the Intention Submission interface, do one of the following:

- Click the *Intentions Submission* link on the Dashboard
- Select *Delivery* ➡ *Intentions* ➡ *Intentions Submission* on the menu bar



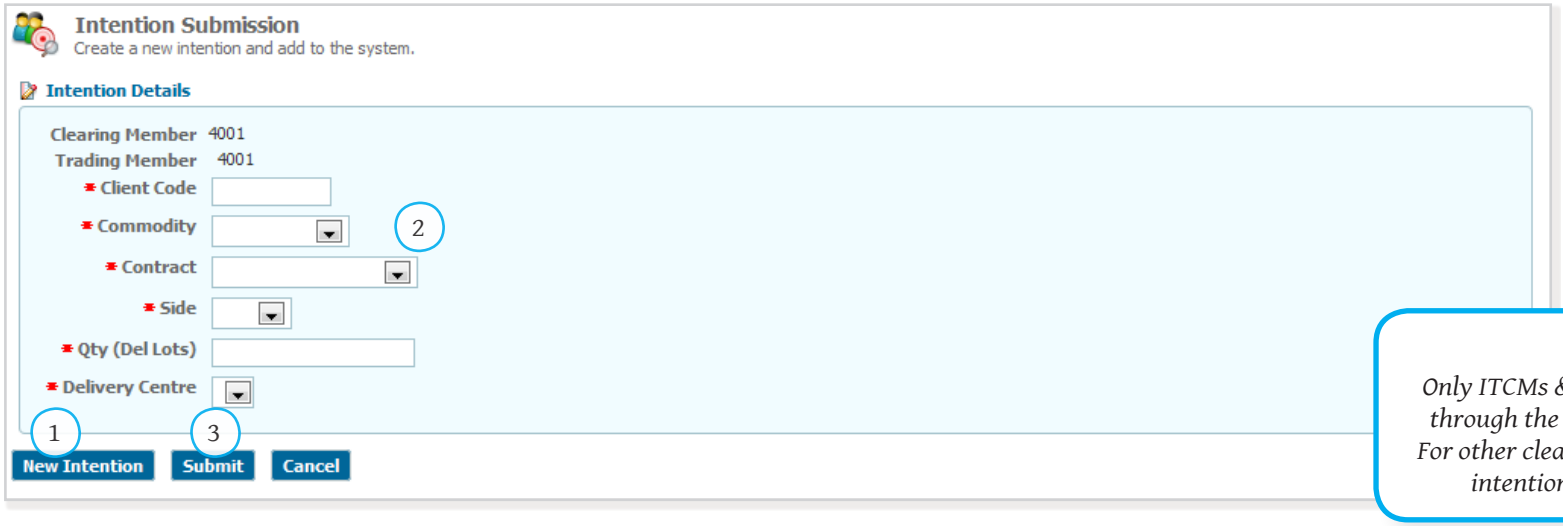
Users can carry out the following actions with regard to intentions:

- Submit Intentions
- Delete Intentions
- Edit Intentions
- Modify Intentions



Submitting a New Intention

1. In the Intention Submission screen, click the **New Intention** button.
2. Specify the Intention Details:
   - *Clearing Member* - Clearing Member associated with the Client submitting intentions will be auto populated based on the logged in Trading Member.
   - *Trading Member* – Trading Member associated with the Client. This field will be automatically set to the logged in TMs ID.
   - *Client Code* - Will be a registered client code for which the delivery intention is submitted. A validation should be in place to ensure that the Client code specified is a Client code of the logged in TM. In case of Hedge codes, user will specify hedge code as client code.
   - *Commodity* – Commodities trading on the exchange.
   - *Contract* - The user will be able to select a Contract by filtering through the Commodity.
   - *Side* - Whether it is a Buy intention or a Sell intention.
   - *Qty* - will be the amount for which the intention is submitted and this will be considered in terms of "Delivery lots".
   - *Delivery Centre* - will be defaulted to the base delivery centre which has being specified for the Commodity.
3. Click **Submit.**

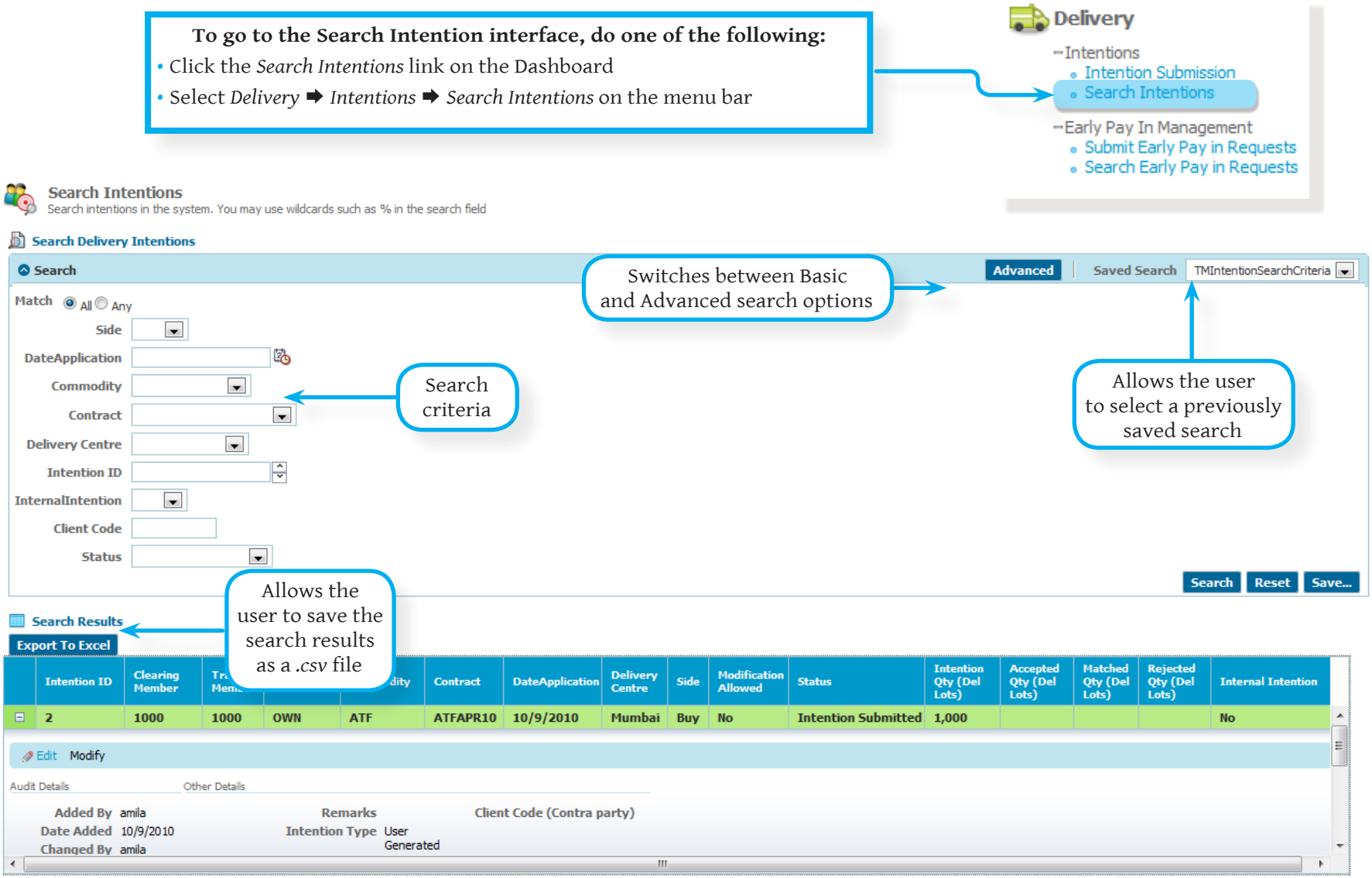


Note:

Only ITCMs & TCMs can submit Intentions through the Intention submission screen. For other clearing members only the search intention screen will be available.

Search Intentions

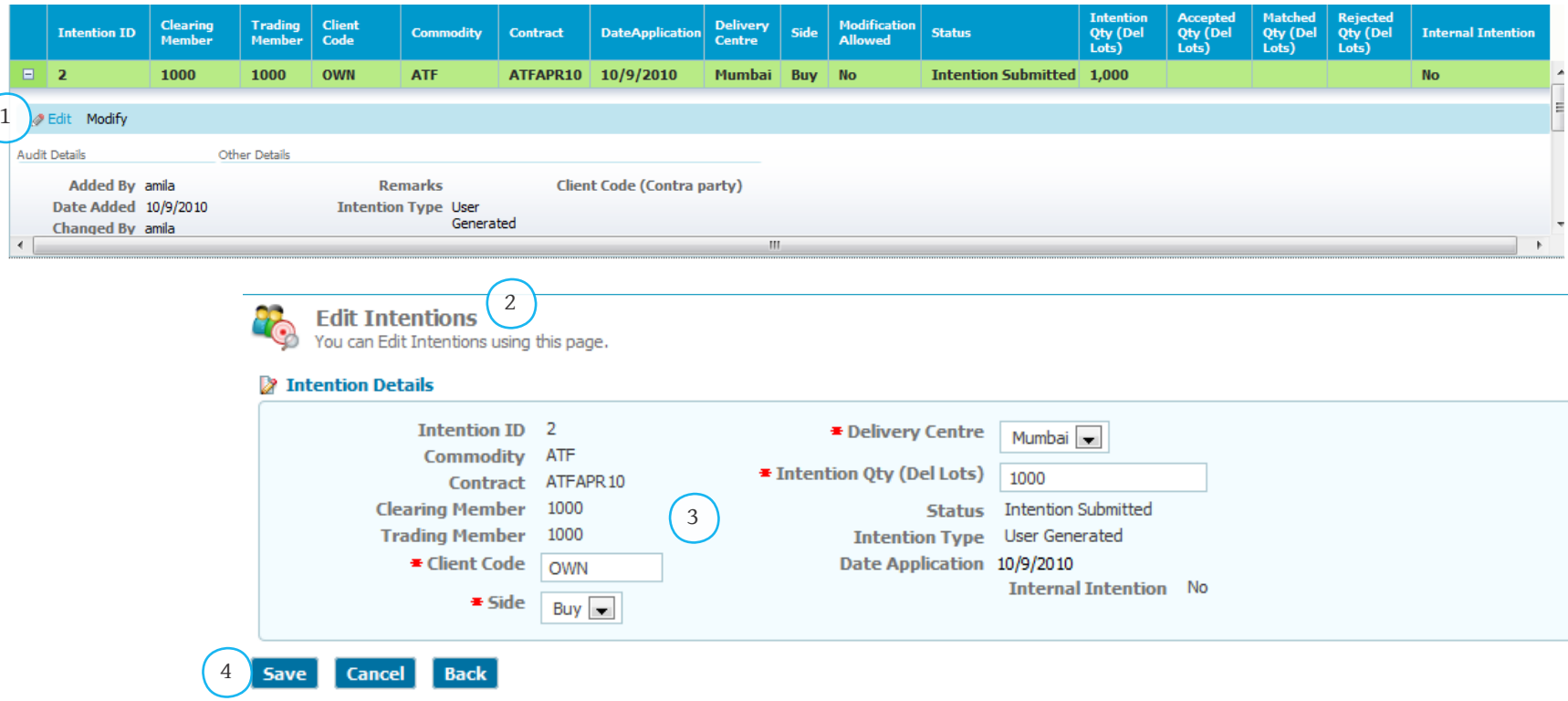
The Search Intentions feature allows the user to search for a particular Intention and view the details.



For more details on conducting a search, refer the section titled *Search Function* in the General Functionality section.

Edit Intentions

1. Click the *Edit* option available on the Search Intentions screen. (The edit option is visible only when an intention is expanded)
2. The user will be directed to the Edit Intentions screen.
3. The following fields can be edited:
   - Client Code
   - Side
   - Delivery Centre
   - Intention Quantity
4. Click *Save* to confirm the changes.



Early Pay In Management

If a Clearing Member transfers a particular quantity worth of ICINs/WRs from his account prior to the *Delivery Pay In Date*, such details need to be recorded separately in the system.

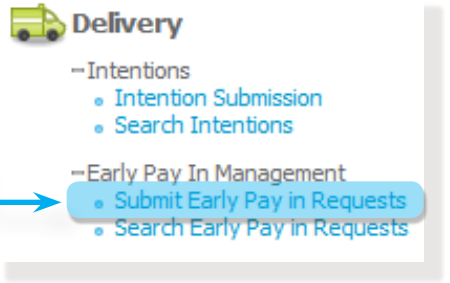
A **Submit Early Pay In** screen will capture the requests made for a Delivery Pay In (Transfer of ICINs from the Seller's Demat account to the Exchange Demat account) which is carried out prior to the actual "Delivery Pay In Date" applicable for that delivery matching.

Early Pay In Requests can be entered to the system at any time during the day (intra-day).

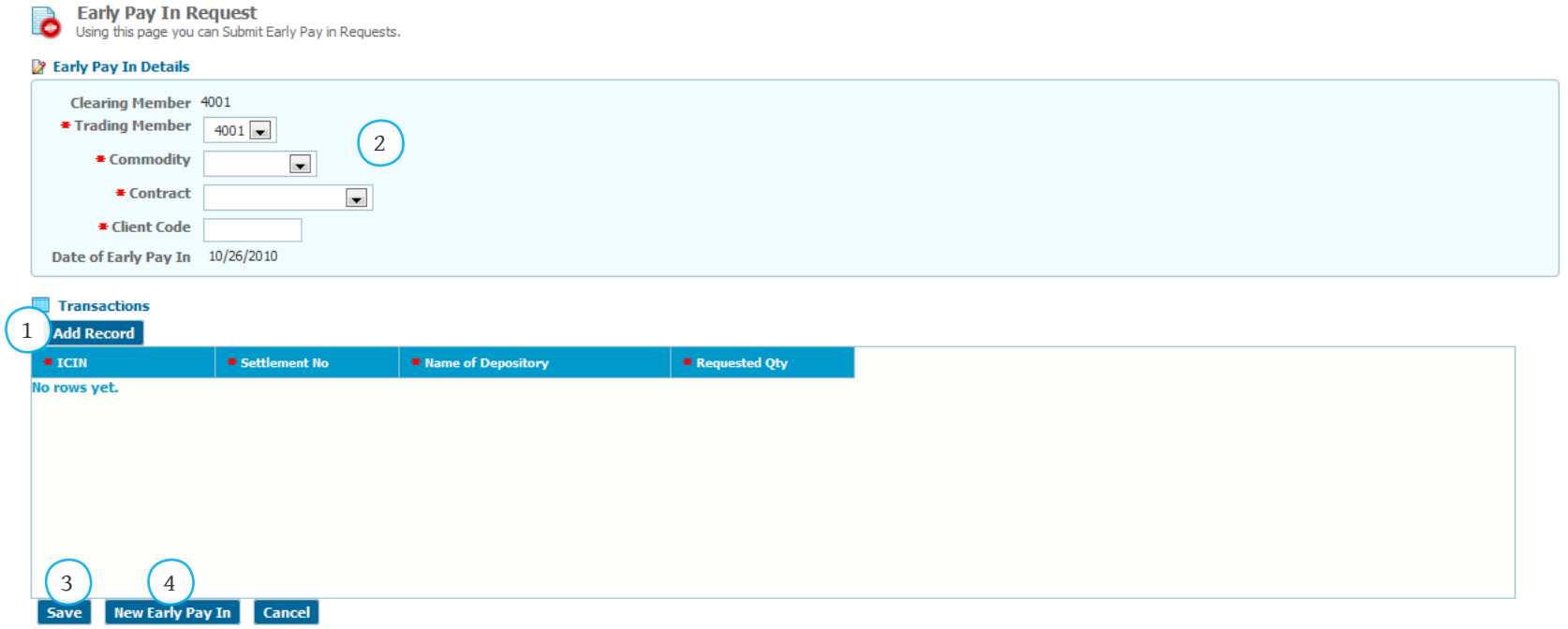
Submit Early Pay In Requests

To go to the Early Pay In Requests interface, do one of the following:

- Click the *Submit Early Pay In Requests* link on the Dashboard
- Select *Delivery* ➡ *Early Pay In Management* ➡ *Submit Early Pay In Requests* on the menu bar



1. Click the **Add Record** button.
2. Specify the Early Pay In Details.
3. Click **Save**.
4. To add another record, click the **New Early Pay In** button.

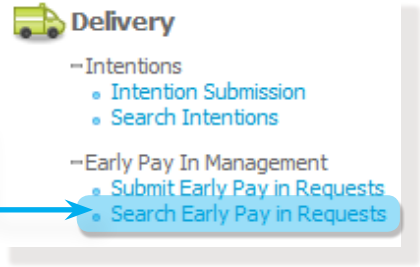


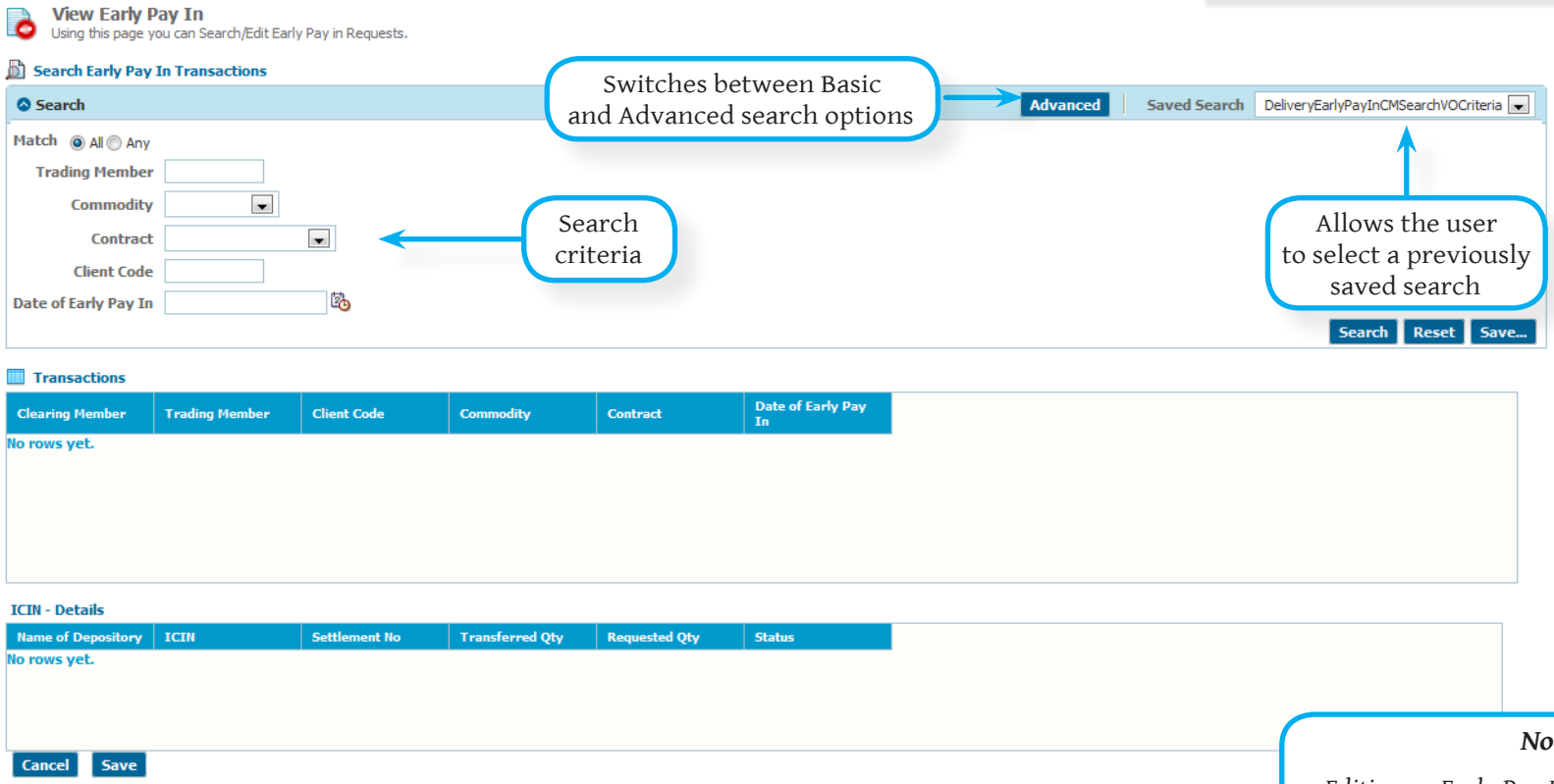
Search Early Pay In Requests

The Search Early Pay In Requests screen allows the user to search, edit the details of a submitted Early Pay In Request.

To go to the Search Early Pay In Requests interface, do one of the following:

- Click the *Search Early Pay In Requests* link on the Dashboard
- Select *Delivery* ➡ *Early Pay In Management* ➡ *Search Early Pay In Requests* on the menu bar





Note:

Editing an Early Pay In Request can also be carried out through the Search Early Pay In Requests screen.

For more details on conducting a search, refer the section titled *Search Function* in the General Functionality section.

APPENDICES

Document Change Control

Date	Version	Sections	Description
18.10.2010	1.0	-	First non-draft version of the **ACE Clearing and Settlement** Clearing Member manual.
25.10.2010	1.1	-	Added ACE Clearing and Settlement logos and ACE Commodity Exchange logos to the manual.

ace
Commodity Exchange

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